Project Close-Out

Introduction to Project Close-out

Purpose: The purpose for the project close-out section is to detail formal acceptance and an orderly process for ending the project and handing it off to the customer.

Overview: The project close-out should take place at the end of the project once all goals, objectives, and deliverables have been met or when a project has been closed prematurely. The close-out phase of a project is very important for documenting the completion of the project and to prevent the project from moving beyond its original scope and budget, as defined in the baseline project plan.

In order for the project to be considered complete, it must transition the remaining pieces of the completed project to the customer for usage. A thorough documentation of the project, including lessons learned and a post implementation evaluation report, should be completed.

Objectives:

- Accept the project's products by sign-off from customer, Project Sponsor, and the Steering Committee, as appropriate.

- Conduct a Lessons Learned session.

- Complete the Post Implementation Evaluation Report (PIER).

- Recognize outstanding work.

- Celebrate the achievements of the Project Team.

- Disburse the resources - staff, facilities, and automated systems.

- Complete and archive all final project records.

- Conduct contract closure or related inspections.

Project Close-Out

Project Dual Close-Out Process

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                    ╭─────────────────╮
                    │     Project     │
                    │    Close-Out    │
                    │      Phase      │
                    ╰─────────────────╯
                             │
              ┌──────────────┴──────────────┐
              ▼                              ▼
    ┌───────────────────┐        ┌───────────────────┐
    │   Administrative  │        │     Contract      │
    │      Closure      │        │      Closure      │
    │ All administrative│◄──────►│   All contract    │
    │   processes and   │        │    obligations are│
    │  deliverables and │        │  meet and contract│
    │   delivered to the│        │   deliverables are│
    │ customer to obtain│        │      verified     │
    │  scope completion │        │                   │
    └───────────────────┘        └───────────────────┘
              └──────────────┬──────────────┘
                             ▼
              ┌───────────────────────────┐
              │    Post Implementation    │
              │     Evaluation Report     │
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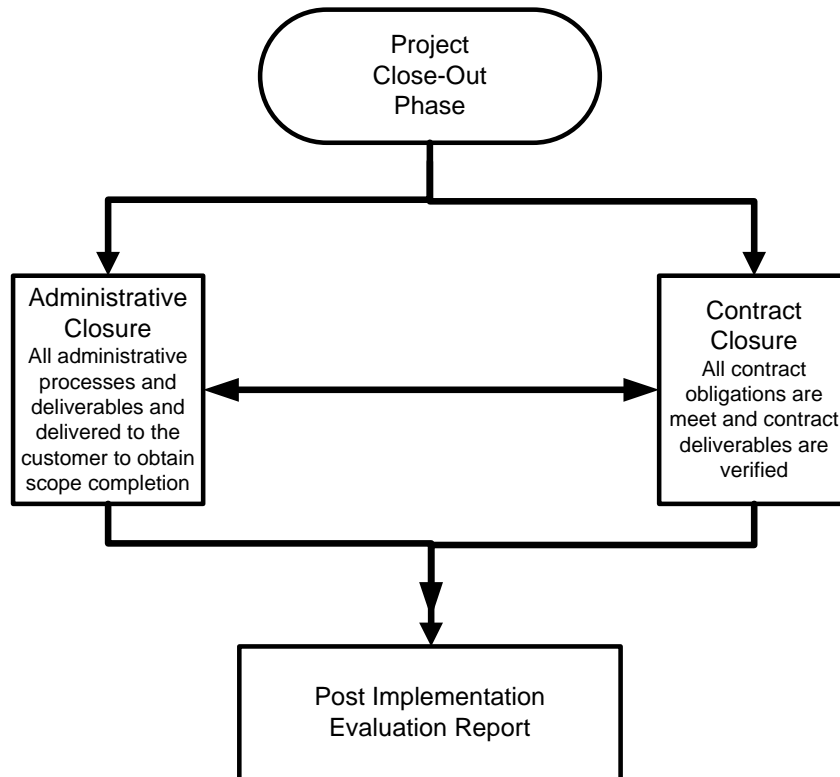
 It is important to monitor both the administrative and contract closure of the project, both of which are part of the close are both part of the close of things. It is imperative that communication between these two sides of Close-Out takes place continuously throughout this final stage. After demonstrated and contract closure this information can be detailed and fit into the PIER or post implementation evaluation report.

Be cautious but to make sure both sides are clearly detailed and that no violations had taken place which would leave the state vulnerable due to gaps.

Project Close-Out

Contract Closure

Contract closure is associated with making sure that all vendors have been paid for services and products rendered. This section ensures that all deliverables and goals have been met by the vendor and that the customer has agreed the service/product meets the desired specifications as detailed in the contract.

Contract closure follows through with making sure the contractor or vendor receives final payment as well as documentation and evaluation of how services were provided throughout the contract. It is not uncommon to detail both the positives and negatives which occurred during the duration of the contract. Violations may be documented as well as awards.

Administrative Closure

The administrative closure of a project focuses on making sure that all the documentation, deliverables, and scope has been obtained during the project and that all objectives will meet customer approval.

During closure, it is very important for the project manager and project team to make sure the documentation is complete. This documentation may be used for future projects.

Administrative closure takes care of all the paperwork associated with the project while making sure that all documentation is updated, minutes are clear and concise, and that all analysis associated with the project have been detailed for historical purposes.
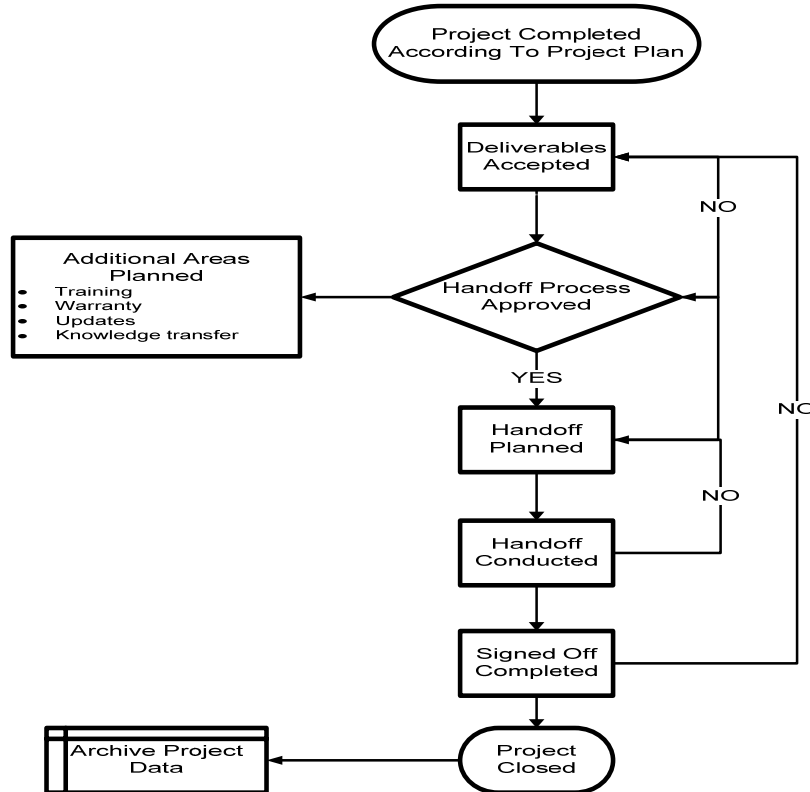
Project Close-Out

Close-down Process

During the close-down process, the project manager and the team verify that all project goals and deliverables have been met. The project is ready to be handed over to the customer's full control. The project team is ready to conduct closure.

In the handoff process, is very important to make sure the project manager and project team have properly prepared the customer to take on the full responsibility of this project. The customer must have the needed knowledge and skills to take on this responsibility. This may be accomplished through knowledge transfer and training several weeks prior to closure.

After the knowledge transfer has taken place, and the customer is in total control of the project, signatures of completion must be documented to verify that the project team has met all deliverables as specified by the contract and project plan.

The final detail of this process is to archive all specified documents so they can be examined and used as historical information in future projects. The archiving of this information will be different depending on the project or the organization's specifications. In some cases, the archiving might only include a simplified list while in other cases materials from the project team might include all documentation.

Project Close Down Process

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        ┌─────────────────────────┐
        │   Project Completed     │
        │ According To Project Plan│
        └─────────────────────────┘
                    │
                    ▼
              ┌──────────────┐
              │ Deliverables │◄──────── NO
              │  Accepted    │
              └──────────────┘
                    │
                    ▼
 ┌──────────────┐  ◇ Handoff Process ◇ ◄── NO
 │ Additional   │◄─┤    Approved     │
 │ Areas Planned│  └─────────────────┘
 │ • Training   │         │ YES
 │ • Warranty   │         ▼
 │ • Updates    │   ┌──────────┐
 │ • Knowledge  │   │ Handoff  │◄── NO
 │   transfer   │   │ Planned  │
 └──────────────┘   └──────────┘
                         │
                         ▼
                   ┌──────────┐
                   │ Handoff  │
                   │ Conducted│
                   └──────────┘
                         │
                         ▼
                   ┌──────────┐
                   │ Signed Off│
                   │ Completed │
                   └──────────┘
                         │
                         ▼
 ┌──────────────┐   ┌──────────┐
 │Archive Project│◄─┤ Project  │
 │    Data      │   │ Closed   │
 └──────────────┘   └──────────┘
```

Project Close-Out

Conduct a Lessons Learned Session

In addition to communicating the closure of a project in writing, it is also advisable to have a mechanism for group review. A "lessons learned" session is a valuable closure mechanism for team members, regardless of the project's success. Some typical questions to answer in such a session include:

- Did the delivered product meet the specified requirements and goals of the project?

- Was the customer satisfied with the end product?

- Were cost budgets met?

- Was the schedule met?

- Were risks identified and mitigated?

- Did the project management methodology work?

- What could be done to improve the process?

- What bottlenecks or hurdles were experienced that impacted the project?

- What procedures should be implemented in future projects?

- What can be done in future projects to facilitate success?

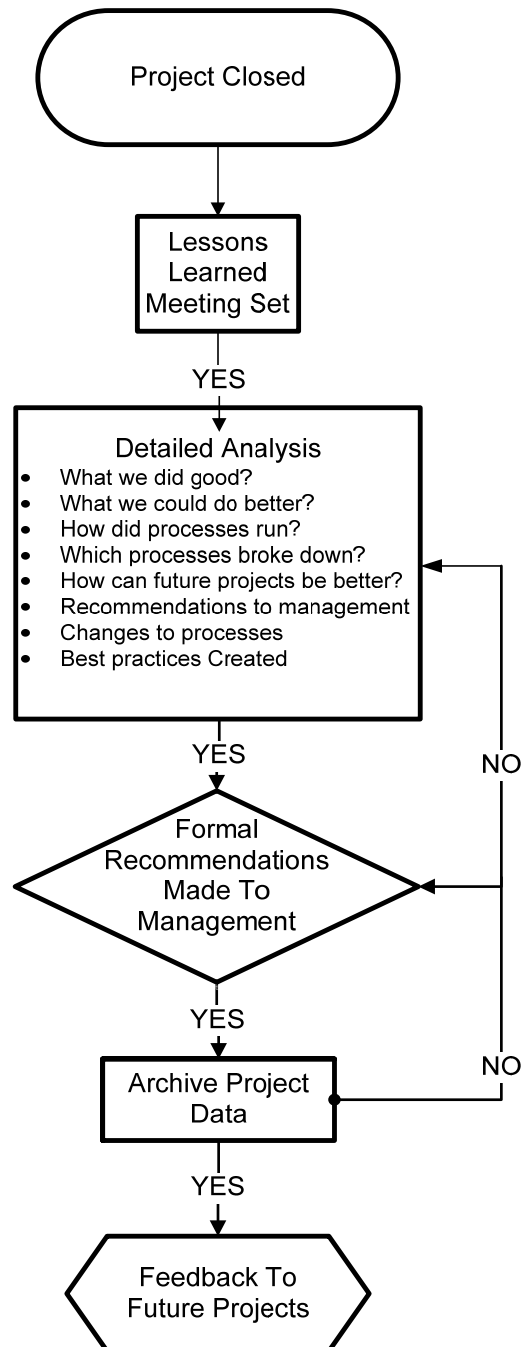- What changes would assist in speeding up future projects while increasing communication?

The lessons learned session is typically a meeting that includes:

- Project Team

- Stakeholder representation including external project oversight, auditor or QA

- Executive management (optional)

- Maintenance and operations staff

- Project Sponsor (optional)

Such a session provides official closure to a project. It also provides a forum for team member recognition and offers an opportunity to discuss ways to improve future processes and procedures.

Project Close-Out

Project Lessons Learned Process

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        ╭─────────────────────╮
        │    Project Closed   │
        ╰─────────────────────╯
                   │
                   ▼
        ┌─────────────────────┐
        │       Lessons       │
        │       Learned       │
        │    Meeting Set      │
        └─────────────────────┘
                   │
                  YES
                   ▼
        ┌─────────────────────────────────────┐
        │          Detailed Analysis          │
        │  •  What we did good?               │
        │  •  What we could do better?        │
        │  •  How did processes run?          │
        │  •  Which processes broke down?     │
        │  •  How can future projects be better? │
        │  •  Recommendations to management   │
        │  •  Changes to processes            │
        │  •  Best practices Created          │
        └─────────────────────────────────────┘
                   │
                  YES
                   ▼
              ◇ Formal ◇
          Recommendations         NO
              Made To
            Management
                   │
                  YES
                   ▼
        ┌─────────────────────┐
        │   Archive Project   │         NO
        │        Data         │
        └─────────────────────┘
                   │
                  YES
                   ▼
        ⬡ Feedback To ⬡
         Future Projects
```

Project Close-Out

Document Lessons Learned

One purpose of the PIER is to document lessons learned. This means that problems encountered by the Project Team are openly presented. Problem identification on completed projects provides a method to discuss the issue in hopes of eliminating its occurrence in future endeavors. It is important, however, that the problem discussions do not merely cast blame. Responsibility and ownership for problem areas are critical to developing useful recommendations for future processes.

Problems that were encountered should be prioritized with focus on the top five to ten problems. One should not attempt to address every problem.

Lessons Learned Matrix

Item to discuss	How it was done in project	Recommendation for future projects	Who might be influenced	What can we do to reduce negative influence
Due dates	Project sponsor gave the due dates with little or no analysis.	Due dates will be part of the calculation of time figured on the baselined scope of the project.	Sponsors might feel they cannot control their project's deadlines.	Make sure both sponsors and project teams have input into the due dates. Have a meeting to discuss the amount of resources needed to meet the agreed upon deadlines.
Changes	Changes are granted with little or no allowance to change the budget or schedule.	Change orders will go through an impact analysis to determine the impact on the project budget and schedule.	Sponsor or customer might feel they have no ability to make needed changes.	Create meetings and show sponsors and customers how to conduct an impact analysis. Inform them this is the new policy which will be followed on all change orders.

Project Close-Out

Creating the PIER

What is a Post Implementation Evaluation Report?

A Post Implementation Evaluation Report (PIER) documents the history of a project. It provides a record of the planned and actual budget and schedule. The report also contains recommendations for other projects of similar size and scope.

The PIER will be stored on the state agency's database as well as a link to the agency at ITSD. The PIER Table of Contents should look like the following:

- Project organization including staffing and skills

- Schedules, WBS

- Successful risk assessment and mitigation techniques, i.e. what risks occurred and what techniques were used to mitigate these risks

- Processes used for configuration management and quality assurance

- General techniques used for project communication

- General techniques for managing customer expectations

- Short-term success factors and how they were met

- Financial data

- Culture or environment

- Lessons learned (from the Lessons Learned session)

- Recommendations to future project managers

Be certain that successes as well as problems on the project are identified in the PIER. Be certain to include new ideas that were very successful on the project. Make recommendations on how these processes might be adapted for other projects.

Share the project successes with other organizations. In the same way that problem identification can lead to improvements, successes must be shared so they can be repeated. Where possible, successes should be translated into procedures that will be followed by future projects.

Who Prepares the Report?

The Project Manager has responsibility for preparing the report. The Project Manager gets input from the Project Team, the customers and other major stakeholders. People performing different functions on the project will have a different outlook on the successes and failures and on possible solutions. If every project member cannot be consulted, at least ensure that a representative from each major area of the project participates. The customers' overall view of the project and its final product is also a major focus of the project. It is this view, along with the view of the major stakeholders, which lives on after closure has been complete.

Project Close-Out

Celebrating

Celebrating the success of the project is important for the closure of the project. The celebration is a time to recognize the workers for what they have contributed and accomplished.

There is fairly universal recognition that positive reinforcement, or rewarding behavior, is an effective management tool. Since it is a goal within the State to execute all projects successfully, it is important to recognize teams that have met this goal. When success in a project is achieved, be certain to provide some recognition to the Team. If individuals are singled out for significant achievements, don't forget to recognize the entire Team as well.

> *"Compensation is what you give people for doing the job they were hired to do. Recognition, on the other hand, celebrates an effort beyond the call of duty."*

Management may also want to express recognition of a successful team effort by praising the Team at a key meeting or a large gathering of staff. People are proud to have senior management appreciation stated, and such recognition sets the stage for future successful work.

Formal recognition can also be achieved through coordination with the Missouri ITSD for articles in industry periodicals and by updating the project data that is circulated to the legislature.

What is Success?

The specific success factors for a specific project are defined in the early stages of the planning process. And, we know that on-time and on-budget are always an implied definition of project success. However, success is not tied only to budget and schedule. Many projects can be considered successful even though the project did ultimately cost more than had been anticipated if they successfully addressed the business problems that needed to be addressed.

Some key questions that determine success are:
- Were the success factors achieved?
- Did the project reach its goals and objectives?
- Was the project on time and budget?
- Were changes handled in a controlled manner?
- Was communication clear, concise and timely throughout the project?
- Do the stakeholders, particularly customers, view the project in a positive manner?
- Was the project well-managed?
- Did the team work well together?
- Did the team pull together when facing struggles and solve the problems??

Project Close-Out

Archiving Project Data

Following preparation of the PIER, the project database is archived. Historic project data is an important source of information to help improve future projects.

Typically, the following project data is archived:

- Project plan
- Risk analysis
- Risk contingency and mitigation plan
- Risk register
- Risk log
- Project budget
- Work breakdown structure
- Variance reports
- Staffing plan
- Vendor contract
- Communication plan
- Close out plan
- Minutes from meetings
- Change orders
- Customer and other sign-off documents
- Status reports
- Minutes from status meetings
- Lessons learned (PIER)
- Checklists
- Technical documents

All records, both electronic and hard copy, should be stored following record retention guidelines.

Where is the Archive Maintained?

Archiving for the State of Missouri will be based on the internal guidelines and details of your agency.

How is the Archived Material Used?

Building a repository of past projects serves as both a reference source for estimating other efforts and as a training tool for project managers.

Project archives can be used when estimating projects and in developing metrics on probable productivity of the new project teams.   Use of past performance metrics provides the best source for future estimates.

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CHAPTER 6
PROJECT CLOSE-OUT